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File Number: 125942

June 28, 2012

VIA EMAIL

British Columbia Securities Commission
701 West Georgia Street
P.O. Box 10142, Pacific Centre
Vancouver, BC V7Y 1L2

Attention: Kristine Mactaggart Wright

Dear Sirs/Mesdames:

Re: BC Securities Commission

I write in reply to your letter of May 15, 2012 and our subsequent communications.

With respect to an interview of our client, we appreciate the offer of SEC staff to prepare a written declaration for our client to take the Fifth Amendment. Please provide a draft form from SEC staff for our review.

With respect to the demand for production of documents, our client appreciates the efforts of BCSC and SEC staff to significantly narrow the request for documents. However, on behalf of our client, we continue to be concerned that the act of production of documents can itself be incriminating evidence that may potentially be used against our client even if our client does not have the documents requested. We continue to be concerned that the production of any documents in response to your modified demand for production of documents may constitute a waiver of any rights that our client has under the Fifth Amendment. As we understand it, the issue of waiver of privilege is complicated and depends on the facts and circumstances of each case including the scope of the investigation and the category and nature of the documents requested.

It should be noted that we do not have a copy of the SEC investigation order. We are also aware that the Alberta Securities Commission ("ASC") issued a cease trade order and commenced an investigation in this matter. The BCSC investigation order does not reference the ASC proceedings or the ASC investigation order. We do not have a copy of the ASC investigation order. In the absence of having either the SEC or the ASC investigation orders, it is not possible for us to determine whether producing any documents in response to your modified demand for production of documents will constitute a waiver of our client's Fifth Amendment rights with respect to all or any part of the SEC investigation. We are further

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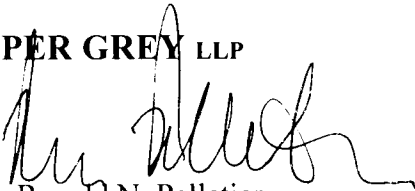
concerned that any documents provided pursuant to your demand for production could potentially be shared with the ASC without any assurances or undertakings from the ASC as to what, if any, use or subsequent use could be made of the documents or information provided by our client.

In these circumstances, while our client is willing to cooperate with the BCSC in its investigation, he respectfully declines to produce any documents in response to your demand for production and, instead, he continues to assert his rights under the Fifth Amendment and his statutory and constitutional rights under Canadian law.

If you wish to discuss this matter further with me, please do not hesitate to contact me at your convenience.

Yours truly,

HARPER GREY LLP

Per: 
Ronald N. Pelletier
Associate Counsel

RNP/rra

cc: client